

EXPLORING THE KEY FACTORS OF IMPROPER HUMAN RESOURCE MANAGEMENT LEADING TO THE WEAKENING OF A COMPANY'S CORE COMPETITIVENESS- TAKING COMPANY Y AS AN EXAMPLE

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ABSTRACT

Influenced by global instability factors, many businesses are facing unprecedented economic challenges. In such an environment, effectively managing human resources, enhancing the core competitiveness of enterprises, and seizing opportunities in crises are questions that every enterprise must consider.

Taking Company Y as a case study, this research deeply explores the current situation and issues of human resource management in enterprises using questionnaire surveys and Analytic Hierarchy Process (AHP) analysis. By statistically analyzing the questionnaire data, the main factors affecting the core competitiveness of enterprises are identified, and corresponding improvement suggestions are provided. The aim of this study is to provide enterprises with some references and insights into human resource management, helping them maintain a competitive advantage in a complex and changing economic environment.

Keywords: Human resources management, corporate core competitiveness, corporate development strategy

INTRODUCTION

As human resources are defined as the most important strategic asset of an enterprise, they are also recognized for their potential for unlimited development, making human resource management a cornerstone of enterprise development [1]. Modern enterprise management emphasizes the formulation of competitive strategies to meet environmental changes, and human resource management should be involved in overall organizational strategic planning to provide necessary support for the development of core competitiveness.

Although existing research has confirmed the role of human resource management in advancing the core competitiveness of enterprises, there are still many areas of ambiguity that require further exploration.

In previous studies on the coordinated progress of human resource management and core competitiveness of enterprises, there has been little utilization of holistic thinking to link human resource

management and core competitiveness of enterprises, leading to a disconnect between the development of core competitiveness and human resource management in enterprises.

This study aims to analyze the systemic and theoretical deficiencies in human resource management at Company Y. Through comprehensive literature review, questionnaire surveys, and interview investigations, drawing on knowledge from organizational behavior, modern management, and human resource management theories, the study takes a perspective of core competitiveness of the enterprise to identify systemic human resource management issues that need to be addressed and to propose corresponding improvement suggestions.

Human Resource Management

Human resource management refers broadly to the labor force composed of individuals within an organization. The arrangement and utilization of human resources are termed "human resource management," with its key function being to place suitable individuals in appropriate positions at the right time. It is the department within an enterprise responsible for governing and leveraging human capital.[2]

Core competitiveness of an enterprise

Core competitiveness refers to the resources that can provide comparative competitive advantages to an enterprise. It can be defined as "the coordinated combination of various resources allocation and integration methods, enabling a company to stand out in the market." [3]

Core competitiveness is the ability of an enterprise (or individual) to sustainably gain competitive advantages over the long term. It is unique to the enterprise, enduring over time, scalable, and practical. Core competitiveness refers to the technologies or capabilities that are difficult for competitors to imitate, enabling the enterprise to effectively respond to changes and intense external competition, ultimately outperforming competitors. [3]

Human Capital Theory

The Human Capital Theory posits that human capital refers to the capital embodied in individuals, including the sum of expenditures on education, vocational training, and the opportunity costs incurred during education. It encompasses various production knowledge, labor and management skills, as well as the overall health quality inherent in individuals. Furthermore, the theory suggests that human capital investment yields a higher return on investment compared to investments in other tangible assets.[4]

The Current Status of Human Resource Management Research

Currently, there is extensive research dedicated to human resource management, but studies focusing on adjusting internal HR management models to enhance a company's core competitiveness are scarce. Therefore, building upon existing research, this paper analyzes the relationship between human resource management and corporate core competitiveness. It explores the role of HR management attribution and job engagement in this relationship, examining real-world issues in enterprise HR management through research.

METHODOLOGY

Sub-Section 1

Case Overview:

Y Enterprise was established in 1951, approved by the People's Government of Sichuan Province, and was formed as an education group led by the government of Ya'an City, Sichuan Province. It has a registered capital of approximately 1 billion yuan. The company's business scope includes specialized education in preschool, basic, higher, and adult education.

Sub-Section 2

Sample Collection and Aggregation

The study will employ a questionnaire survey to investigate the basic information and work status of company employees. The results are as follows:

Table1: Overview of the Questionnaire Survey Form

Communication Elements	Specific Questions	participant / position
Position-related Issues	1. Is your current position aligned with the major you studied in college? 2. Are you adapting well to the external environment of your current position? 3. Is your current job position the same as the one you applied for? 4. Can you handle the workload of your current position?	
Work Duration	1. Is there a regular work duration exceeding 8 hours per day? 2. The number of times you were required to work mandatory overtime in the past month.	
Workload	1. Is the daily workload within an acceptable range? 2. Is the sudden or unexpected workload within an acceptable range?	
Salary and Benefits	1. Are you satisfied with the current salary package? 2. Are you satisfied with the current company benefits? 3. Have you participated in relevant business training this year? 4. Is overtime pay disbursed on time and in full?	
Performance Evaluation	1. Are the performance evaluation indicators reasonable? 2. Is the performance evaluation process fair and just?	

Sub-Section 3

Analysis of Survey Questionnaire Results

Through the analysis of survey questionnaire results, the main issues affecting employee work efficiency or accuracy can be categorized into three aspects: organizational factors, employee personal

factors, and material factors. Organizational factors primarily involve aspects such as organizational culture, communication and management, workflow efficiency, education, and training. Employee personal factors mainly encompass loyalty, individual capabilities, work pressure, and mental health. Material factors mainly pertain to employees' economic income, welfare benefits, and living standards.

Due to the numerous influencing factors and their varying degrees of importance, we need to employ a scientific method to determine which factors are most worthy of our attention and improvement. Therefore, we have chosen the Analytic Hierarchy Process (AHP) as our evaluation tool. By comparing the relative importance of each factor, we can derive a comprehensive set of weight values, thereby identifying the most research-worthy influencing factors.

Sub-Section 4

AHP Analysis

The core purpose of using the AHP analysis method this time is to select the most necessary and cost-effective ones as improvement points among the human resource management elements that need to be corrected, so as to meet the purpose of improving the core competitiveness of the enterprise.

By analyzing relevant research conclusions and combining with the actual research situation at this stage, a hierarchical structure model is established.

The scaling method here uses the 1-9 scaling method for assignment.

Table 2: AHP model Scale value and definition

Serial number	Importance trade-offs	Cij assignment
1	The two elements " i " and " j " are equally important	1
2	The " i " element is slightly more important than the " j " element	2
3	" i " element is more important than " j " element	3
4	The " i " element is more important than the " j " element	4
5	The " i " element is more important than the " j " element	5
6	The " i " element is slightly less important than the " j " element	1/2
7	Element " i " is significantly less important than element " j "	1/3
8	Element " i " is less important than element " j "	1/4
9	The " i " element is much less important than the " j " element	1/5

Average random consistency index R.I.:

Table 3: Average random consistency index R.I.

n	1	2	3	4	5	6	7	8	9	10	11
RI	0	0	0.58	0.90	1.12	1.24	1.32	1.41	1.45	1.49	1.51

1) The judgment matrix formed between A-Bi

Table 4: Judgment matrix of first-level indicators A

Matrix A	Organizational factors B1	Personal factors B2	Material factors B3	Weighting W1
Organizational factors B1	1	3	2	0.527885
Personal factors B2	1/3	1	1/3	0.139568
Material factors B3	1/2	3	1	0.332547

2) The judgment matrix formed between B1 - Cn

Table 5: The judgment matrix formed by B1-Cn

Matrix B1	Corporate culture C11	Communication and managementC12	Institution and proceduresC13	Education and trainingC14	Weighting
C11	1	1/2	1/3	1/3	0.10889
C12	2	1	1/2	1/2	0.188698
C13	3	2	1	1	0.351206
C14	3	2	1	1	0.351206

3) The judgment matrix formed between B2 – Cn

Table 6 : The judgment matrix formed by B2-Cn

Matrix B2	Employee loyalty C21	Individual capabilities C22	Work stress. C23	Mental health C24	Weightin g
C21	1	1/3	1/3	1/2	0.084385
C22	3	1	1/2	3	0.301054
C23	3	2	1	4	0.457503
C24	2	1/3	1/4	1	0.157058

4) The judgment matrix formed between B3 – Cn

Table 7: The judgment matrix formed by B3-Cn

Matrix B3	Economic incomeC31	Welfare benefitsC32	Standard of livingC33	Weighting
C31	1	1/2	1/3	0.163379
C32	2	1	1/2	0.296978
C33	3	2	1	0.539644

RESULTS

Using the Analytic Hierarchy Process (AHP), the researcher has obtained the overall ranking of all factors. Among the factors influencing human error, organizational factors, individual factors, and material factors are ranked in terms of relative importance. The rankings are as follows: organizational factor B1 (0.527885), material factor B3 (0.332547), and individual factor B2 (0.139568).

Additionally, the top 10 major influencing factors are ranked as follows: institutional procedures C13, education and training C14, standard of living C33, communication and management C12, welfare benefits C32, work pressure C23, corporate culture C11, economic income C31, personal ability C22, mental health C24, and employee loyalty C21.

Based on these research findings, it can be concluded that organizational factors and individual factors are key elements in enhancing the core competitiveness of enterprises through human resource management. Furthermore, the importance of organizational factors outweighs that of material factors.

CONCLUSION AND FUTURE WORK

CONCLUSION

Sub-Section 1

Disadvantages of communication

In business management, communication and feedback are the two main pillars of the entire management process. In a sense, the timeliness and accuracy of internal information transmission within an organization can directly determine whether the company can achieve its predetermined goals.

In the production and operation of Company Y, communication mostly revolves around issuing instructions. Therefore, any deviation in instruction delivery will inevitably lead to serious consequences for the company's operations. The accuracy of information transmission is influenced by various factors, including factors related to the communicators themselves, such as different understandings of information, emotional influences, and diverse communication styles. Additionally, factors related to communication methods, such as modes of expression and the choice of communication media, also play a significant role. Moreover, the hierarchy of information transmission directly affects its accuracy—the more layers involved, the higher the likelihood of information distortion, which is detrimental to effective communication.

Sub-Section 2

Deviations in the process of bureaucratic management

Through analysis, the human resource management characteristics of Company Y are consistent with the hierarchical management organizational structure model. [5] Therefore, the disadvantages of combining the two are summarized as follows.

1) Organizational rigidity and tendency to stick to rules

The organizational rigidity and rigidity of Company Y are mainly reflected in the excessive organizational levels and slow decision-making speed. This system is not only unable to meet the ever-

changing market environment but also causes a meaningless increase in employee workload. The main scenarios are as follows:

1. After an employee initiates a request for a matter, it is conveyed from the grassroots to the decision-making level, reported at all levels, and reviewed and signed at all levels, making it impossible to guarantee the timeliness of the matter.
2. The procedures are overly cumbersome, with excessive review and repeated review.
3. Corporate performance indicators lack a flexible adjustment mechanism. The investigation found that the company's performance plan still adopts the method of formulating at the beginning of the year, implementing it in the middle of the year, and evaluating it at the end of the year.

2) Individualism

The egoism reflected in this survey mainly refers to individualism, which is mainly reflected in the leader placing personal thoughts, logic, concerns, etc. as the focus of attention at work, and subordinates cannot put forward their own opinions regardless of whether they are correct or not. and ideas. And when an accident occurs, a selfish leader will choose to disown any relationship with the incident and shift all the blame to his subordinates.[6]

It cannot be found from the survey results of Company Y that the consequence is insufficient consideration in decision-making. The executors are timid when working and always work with the mentality of "one thing less is worse than one thing more".

Sub-Section 3

Problems in vocational education and training

Education and training here refer to the way that enterprises use various methods to equip employees with the knowledge and skills needed to complete their current or future jobs and change their work attitudes, so as to improve employees' performance in existing or future positions, and ultimately achieve the overall goal of the enterprise. A planned continuum of performance improvement activities.

The existing problems are:

- 1) The focus of training is unclear

Most of the employees in Company Y are job-hopping for people in the same industry, or they are recruiting fresh graduates. The senior executives of an enterprise are often the founders and entrepreneurs of the enterprise. Most of them do not have systematic management knowledge and business philosophy, so it is often difficult to understand and distinguish between various types of personnel. In addition, many companies confuse "training" with "welfare". When training is provided to employees as a benefit, it is often not targeted. Some companies even use "off-site training" as employee travel rewards. In this way, the focus of employee training has nothing to do with specific courses, and naturally has nothing to do with the improvement of their professional quality.

- 2) In the past, corporate talent training focused on the theoretical level of analysis and design

The lack of integration of the relationship between corporate strategy and employee development and the neglect of the actual professional level of corporate talent training research analysts have resulted in the dilemma of poor implementation and low operability.

3) When new technologies began to be widely used in enterprises, employees were unable to keep up with the progress of the times because no special training was carried out.

Sub-Section 4

Disadvantages of application of motivation theory

1) Salary overall is too low

When companies formulate employee incentive and management systems, they often overlook employees' desires and needs for material rewards, neglecting the fact that the essence of work for employees is to obtain corresponding labor compensation. This oversight results in employees lacking enthusiasm, initiative, and even losing motivation for their work. Moreover, inadequate wages fail to meet living expenses, leading to talent drain and difficulties in recruiting new talent.

2) The emphasis on short-term incentives often neglects the implementation of long-term incentive measures.

For a company to achieve long-term development, it must establish an effective incentive mechanism that not only meets employees' short-term needs but also stimulates their long-term motivation. In the case of Company Y, after the short-term incentive effects wear off, employees' feelings of apathy may worsen due to compensation psychology, further reducing work efficiency. On the other hand, the lack of long-term incentive measures fails to effectively enhance the connection between employees and the company, resulting in a lack of a sense of belonging among employees. Consequently, employees are unable to align their personal development goals with the company's future prospects.

FUTURE WORK

This study, using Company Y as a case study, analyzed the human resource management problems existing in the company and their adverse effects on its development. The study identifies these issues primarily stemming from deficiencies in the company's organizational structure, incentive mechanisms, training systems, and performance evaluation processes. Although the study uncovers the causes and consequences of these problems, it does not propose specific solutions. Therefore, future research needs to further explore how to improve the company's human resource management, enhance employee satisfaction and efficiency, thereby promoting sustainable development of the enterprise.

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